



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
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4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

July 6, 1984

Mr. Ian Bartholemew  
Musto Exploration  
750 West Pender Street, Suite 405  
Vancouver, British Columbia  
Canada V6C 2T7

RE: Reclamation Surety Bond  
St. George Mining Company  
Apex Mine  
ACT/053/004  
Washington County, Utah

Dear Mr. Bartholemew:

As per our telephone conversation of this date, enclosed please find the Corporate Security Bond form for your use in posting the reclamation surety bond for the Apex Mine project. As we discussed, it would be advisable for this bond to be posted prior to August 1, 1984.

The following table represents the bond amount on an annual basis, compounded to account for inflation at the current three year average of 6.78 percent per annum:

| Operational<br>Year | Calendar<br>Year | Dollar Amount |
|---------------------|------------------|---------------|
| 0                   | 1984             | \$ 50,936.00  |
| 1                   | 1985             | \$ 54,389.00  |
| 2                   | 1986             | \$ 58,077.00  |
| 3                   | 1987             | \$ 62,015.00  |
| 4                   | 1988             | \$ 66,219.00  |
| 5                   | 1989             | \$ 70,709.00  |
| 6                   | 1990             | \$ 75,503.00  |
| 7                   | 1991             | \$ 80,622.00  |
| 8                   | 1992             | \$ 86,088.00  |
| 9                   | 1993             | \$ 91,925.00  |
| 10                  | 1994             | \$ 98,157.00  |
| 11                  | 1995             | \$104,813.00  |
| 12                  | 1996             | \$111,919.00  |
| 13                  | 1997             | \$119,507.00  |




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Your company has the option of bonding for a portion of the 13 year project life or for the entire 13 year permit term, as we discussed.

I apologize for any confusion resulting from our last communication. Should you have any further questions, please do not hesitate to contact the Division.

Sincerely,

  
Mary M. Boucek  
Permit Supervisor/  
Reclamation Biologist

MMB/btb  
cc: Jim Smith, DOGM  
Pam Grubaugh-Littig, DOGM  
Steve Cox, DOGM  
88130-37 & 38